



Rep. Kenneth Dunkin

Filed: 5/5/2011

09700SB1286ham001

LRB097 08202 HLH 55144 a

1 AMENDMENT TO SENATE BILL 1286

2 AMENDMENT NO. _____. Amend Senate Bill 1286 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Film Production Services Tax Credit Act of
5 2008 is amended by changing Section 10 as follows:

6 (35 ILCS 16/10)

7 Sec. 10. Definitions. As used in this Act:

8 "Accredited production" means: (i) for productions
9 commencing before May 1, 2006, a film, video, or television
10 production that has been certified by the Department in which
11 the aggregate Illinois labor expenditures included in the cost
12 of the production, in the period that ends 12 months after the
13 time principal filming or taping of the production began,
14 exceed \$100,000 for productions of 30 minutes or longer, or
15 \$50,000 for productions of less than 30 minutes; and (ii) for
16 productions commencing on or after May 1, 2006, a film, video,

1 or television production that has been certified by the
2 Department in which the Illinois production spending included
3 in the cost of production in the period that ends 12 months
4 after the time principal filming or taping of the production
5 began exceeds \$100,000 for productions of 30 minutes or longer
6 or exceeds \$50,000 for productions of less than 30 minutes.

7 "Accredited production" does not include a production that:

8 (1) is news, current events, or public programming, or
9 a program that includes weather or market reports;

10 (2) (blank) ~~is a talk show;~~

11 (3) is a production in respect of a game,
12 questionnaire, or contest;

13 (4) is a sports event or activity;

14 (5) is a gala presentation or awards show;

15 (6) is a finished production that solicits funds;

16 (7) is a production produced by a film production
17 company if records, as required by 18 U.S.C. 2257, are to
18 be maintained by that film production company with respect
19 to any performer portrayed in that single media or
20 multimedia program; or

21 (8) is a production produced primarily for industrial,
22 corporate, or institutional purposes.

23 "Accredited production" includes a talk show or a reality
24 program.

25 "Accredited production certificate" means a certificate
26 issued by the Department certifying that the production is an

1 accredited production that meets the guidelines of this Act.

2 "Applicant" means a taxpayer that is a film production
3 company that is operating or has operated an accredited
4 production located within the State of Illinois and that (i)
5 owns the copyright in the accredited production throughout the
6 Illinois production period or (ii) has contracted directly with
7 the owner of the copyright in the accredited production or a
8 person acting on behalf of the owner to provide services for
9 the production, where the owner of the copyright is not an
10 eligible production corporation.

11 "Credit" means:

12 (1) for an accredited production approved by the
13 Department on or before January 1, 2005 and commencing
14 before May 1, 2006, the amount equal to 25% of the Illinois
15 labor expenditure approved by the Department. The
16 applicant is deemed to have paid, on its balance due day
17 for the year, an amount equal to 25% of its qualified
18 Illinois labor expenditure for the tax year. For Illinois
19 labor expenditures generated by the employment of
20 residents of geographic areas of high poverty or high
21 unemployment, as determined by the Department, in an
22 accredited production commencing before May 1, 2006 and
23 approved by the Department after January 1, 2005, the
24 applicant shall receive an enhanced credit of 10% in
25 addition to the 25% credit; ~~and~~

26 (2) for an accredited production commencing on or after

1 May 1, 2006, the amount equal to:

2 (i) 20% of the Illinois production spending for the
3 taxable year; plus

4 (ii) 15% of the Illinois labor expenditures
5 generated by the employment of residents of geographic
6 areas of high poverty or high unemployment, as
7 determined by the Department; ~~and~~

8 (3) for an accredited production commencing on or after
9 January 1, 2009, other than a talk show or reality program
10 qualifying under item (4), the amount equal to:

11 (i) 30% of the Illinois production spending for the
12 taxable year; plus

13 (ii) 15% of the Illinois labor expenditures
14 generated by the employment of residents of geographic
15 areas of high poverty or high unemployment, as
16 determined by the Department; and -

17 (4) for an accredited talk show or reality program
18 commencing its first season in Illinois on or after May 1,
19 2011, the amount equal to:

20 (i) 30% of the Illinois production spending for the
21 taxable year; plus

22 (ii) 15% of the Illinois labor expenditures
23 generated by the employment of residents of geographic
24 areas of high poverty or high unemployment, as
25 determined by the Department.

26 "Department" means the Department of Commerce and Economic

1 Opportunity.

2 "Director" means the Director of Commerce and Economic
3 Opportunity.

4 "Illinois labor expenditure" means salary or wages paid to
5 employees of the applicant for services on the accredited
6 production;

7 To qualify as an Illinois labor expenditure, the
8 expenditure must be:

9 (1) Reasonable in the circumstances.

10 (2) Included in the federal income tax basis of the
11 property.

12 (3) Incurred by the applicant for services on or after
13 January 1, 2004.

14 (4) Incurred for the production stages of the
15 accredited production, from the final script stage to the
16 end of the post-production stage.

17 (5) Limited to the first \$25,000 of wages paid or
18 incurred to each employee of a production commencing before
19 May 1, 2006 and the first \$100,000 of wages paid or
20 incurred to each employee of a production commencing on or
21 after May 1, 2006.

22 (6) For a production commencing before May 1, 2006,
23 exclusive of the salary or wages paid to or incurred for
24 the 2 highest paid employees of the production.

25 (7) Directly attributable to the accredited
26 production.

1 (8) Paid in the tax year for which the applicant is
2 claiming the credit or no later than 60 days after the end
3 of the tax year.

4 (9) Paid to persons resident in Illinois at the time
5 the payments were made.

6 (10) Paid for services rendered in Illinois.

7 "Illinois production spending" means the expenses incurred
8 by the applicant for an accredited production, including,
9 without limitation, all of the following:

10 (1) expenses to purchase, from vendors within
11 Illinois, tangible personal property that is used in the
12 accredited production;

13 (2) expenses to acquire services, from vendors in
14 Illinois, for film production, editing, or processing; and

15 (3) the compensation, not to exceed \$100,000 for any
16 one employee, for contractual or salaried employees who are
17 Illinois residents performing services with respect to the
18 accredited production.

19 "Qualified production facility" means stage facilities in
20 the State in which television shows and films are or are
21 intended to be regularly produced and that contain at least one
22 sound stage of at least 15,000 square feet.

23 Rulemaking authority to implement this amendatory Act of
24 the 95th General Assembly, if any, is conditioned on the rules
25 being adopted in accordance with all provisions of the Illinois
26 Administrative Procedure Act and all rules and procedures of

1 the Joint Committee on Administrative Rules; any purported rule
2 not so adopted, for whatever reason, is unauthorized.

3 (Source: P.A. 95-720, eff. 5-27-08; 95-1006, eff. 12-15-08.)

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.".